



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

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WILLIAM T FUJIOKA  
Chief Executive Officer

June 4, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC SOCIAL SERVICES: RECOMMENDATION TO AWARD  
A CONTRACT TO FILE KEEPERS, LIMITED LIABILITY COMPANY, TO PROVIDE  
CASE RECORD STORAGE AND RETRIEVAL SERVICES  
(ALL DISTRICTS AFFECTED) - (3 VOTES)**

**SUBJECT**

The Department of Public Social Services (DPSS) continues to require the services of a contractor for the provision of case record storage and retrieval services in order to store, retrieve and transport case records and documents to County facilities in the administration of departmental duties.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Delegate authority to the Director of DPSS to prepare and execute a contract with File Keepers, Limited Liability Company (LLC), substantially similar to the attached contract to provide case record storage and retrieval services. The contract will be effective July 1, 2008, or upon the DPSS Director's approval, whichever is later, through June 30, 2013. The estimated cost is \$13,285,844 for the five-year term of the contract and \$2,657,168.80, annually. To the extent these costs are claimed to CalWORKs and Food Stamps, there is no additional Net County Cost (NCC) after the required Maintenance of Effort (MOE) is met. The share of costs associated with other programs, such as General Relief, results in an estimated NCC of \$239,145, annually. Funding for this contract is included in the Fiscal Year (FY) 2008-09 Proposed Budget. Funding for future years will be included in the Department's annual budget requests.

Board of Supervisors  
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2. Delegate authority to the Director of DPSS to prepare and sign amendments to the contract for any decrease or for any increase of no more than ten percent of the total contract rates when the change is necessitated by additional and necessary services. The approval of County Counsel and the Chief Executive Office (CEO) will be obtained prior to executing such amendments.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On May 20, 2003, your Board approved a five-year contract with File Keepers, LLC to provide case Record Storage and Retrieval services for DPSS. The current five-year contract with File Keepers, LLC expires on June 30, 2008.

Under the proposed new contract with File Keepers, LLC, the contractor will continue to provide DPSS with secured storage of 500,000 boxes which contain approximately seven million public assistance records and other documents. The contractor will also continue processing new records and boxes of documents into storage (approximately 50,000 records monthly) and processing retrieval requests (approximately 3,000 records monthly).

California Department of Social Services' (CDSS) contract guidelines generally limit contract terms to three years without prior CDSS approval for a longer term. DPSS requested CDSS approval for a five-year contract in order to encourage vendors to submit proposals by allowing them to amortize start-up costs and initial transfer of records over a longer period of time, thereby resulting in a more competitive solicitation process. On August 6, 2007, CDSS granted approval for a five-year term.

### **Implementation of Strategic Plan Goals**

The recommendations are consistent with the principles of the Countywide Strategic Plan Goal #3 (Organizational Effectiveness) to ensure that service delivery systems are efficient, effective, and goal-oriented.

### **FISCAL IMPACT/FINANCING**

The estimated cost is \$13,285,844 for the five-year term of the contract and \$2,657,168.80, annually. To the extent these costs are claimed to CalWORKs and Food Stamps, there is no additional NCC after the required MOE is met. The share of costs associated with other programs, such as General Relief, results in an estimated NCC of \$239,145, annually. Funding for future years will be included in the Department's annual budget requests.

The contractor will be paid monthly in arrears for the provision of case record storage and retrieval services. The rates are firm and fixed for the five-year term of the contract and do not provide for cost-of-living adjustments.

This contract is not subject to a contract maximum. The estimated cost may increase or decrease based solely upon workload fluctuation. Recent workload statistics were used to determine the estimated contract cost; however, this could significantly change due to changes in regulations governing public assistance programs, case record destruction, and other changes in policy/procedures.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The contract term will commence on July 1, 2008, or upon the DPSS Director's approval, whichever is later, and will continue through June 30, 2013.

File Keepers, LLC is a private corporation founded in 1975, which provides expertise in the field of records and information management, including pick-up and delivery services, storage and retrieval of records and documents. File Keepers, LLC is a wholly owned subsidiary of Raleigh Enterprises, a Los Angeles based, privately held real estate development and management company.

DPSS has determined, that the contract is not a Prop A contract. With the advice of County Counsel, it has been determined that the bulk of this contract is for storage rather than for services.

The award of this contract will not result in unauthorized disclosure of confidential information and will be in full compliance with federal, State, and County regulations.

The contract includes the provision for the contractor to first consider hiring County employees targeted for layoff or qualified former County employees who are on a re-employment list during the life of the contract when filling future vacancies.

The contract also requires that the contractor consider hiring participants of the Greater Avenues for Independence (GAIN) Program and General Relief Opportunities for Work (GROW) Program.

The County may terminate the contract with a 30 calendar day prior written notice. The contract also contains provisions that limit the County's obligation if funding is not appropriated by the Board for each year of the contract.

The contractor will not be asked to perform services which will exceed the contract's rates, scope of work, and contract term.

The contract contains Contractor Responsibility and Debarment language.

County Counsel and the CEO have reviewed this Board letter and the contract has been approved as to form by County Counsel.

### **CONTRACTING PROCESS**

File Keepers, LLC was selected through a competitive solicitation process. DPSS released a Request for Proposals (RFP) on October 30, 2007. Based on the evaluation of submitted proposals, File Keepers, LLC was the highest ranked bidder.

On October 24 2007, the Department mailed 20 interest letters to potential vendors and advertised the solicitation in 12 newspapers, including the Los Angeles Times and several community newspapers. Additionally, the solicitation was advertised on the Los Angeles County Bid Website.

On October 30, 2007, DPSS posted the RFP on the Los Angeles County Bid Website and mailed four RFPs to companies that had expressed interest in the contract. On November 29, 2007, the Department held a proposer's conference, which representatives from four different companies attended.

Potential proposers submitted questions prior to and at the conference. DPSS released written responses in an addendum on December 12, 2007 and December 20, 2007, respectively.

DPSS received three timely proposals. The Department first reviewed the proposals using a pass/fail process. The Department determined that one of the proposals did not pass the initial screening, leaving two proposals to be evaluated.

Of the two proposals, File Keepers, LLC received the highest score from each of the evaluation panel members. Moreover, the evaluation panel members unanimously ranked File Keepers, LLC highest in the areas of Qualifications, Methodology, Staffing, and Quality Control.

Originally, File Keepers, LLC did not have the lowest cost proposal. However, through negotiations, their revised bid cost has been reduced. Further, File Keepers, LLC provided the best plan for addressing the unique method of storage required by DPSS.

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DPSS has received superior customer service from File Keepers, LLC in its provisions of these storage and retrieval services in its previous contracts with the County.

The Local Small Business Enterprise (SBE) program's provisions were included in the RFP; however, no proposer claimed Local SBE credit. Therefore, no Local SBE credit was applied in the evaluation process.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended action will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County.

The award of this contract will enable the Department to continue effective case storage and retrieval processes.

### **CONCLUSION**

The Executive Officer, Board of Supervisors, is requested to return one adopted, stamped Board letter to the Director of DPSS.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:MS  
GP:JB:cvb

Attachment

c: County Counsel  
Department of Public Social Services